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HOUSE BILL 2161 By  
Bunch

SENATE BILL 2237  
By Miller J

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 36, Part 8 and Title 49, Chapter 5, relative to employment of retired teachers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-805, is amended by redesignating the present section to be subsection (a), and by adding a new subsection (b) as follows:

(b)(1) As used in this subsection, "superannuate" means a former teacher receiving a service retirement allowance through the Tennessee consolidated retirement system or from a local government retirement system or program in Tennessee.

(2) A superannuate may be employed for temporary service as a teacher, provided:

(A) At least two (2) months have elapsed since the effective date of his retirement;

(B) Such employment does not exceed eighty-five (85) school days, or the equivalent thereof in fractional service, during any school year.

(3) A superannuate may be employed as a full-time teacher if the employer requests the Tennessee consolidated retirement board or the appropriate local board or agent to authorize such employment.

(4) If a superannuate is employed in accordance with subdivision (b)(2) or (3) of this section, such person may contribute to the consolidated retirement system subject to local participation in accordance with Title 8, Chapter 35, Part 2. A superannuate employed as a teacher does not have any of the rights, privileges, or obligations of membership, except as provided in this section, and is not eligible to receive health, medical, hospital, or surgical benefits under Section 8-27-205 for employment subject to this section.

(5) The employer that employs a superannuate or other system retirant shall notify the appropriate retirement board of the employment not later than the end of the month in which the employment commences. Any overpayment of benefits to a superannuate by a retirement system resulting from an employer's failure to give timely notice may be charged to the employer.

(6) A superannuate who has received a retirement allowance or disability benefit for less than the applicable period under this section when employment as a teacher commences shall forfeit any retirement allowance or disability benefit for any month of employment prior to the expiration of such period. Contributions shall be made to the appropriate retirement system from the first day of such employment, but service and contributions for that period shall not be used in the calculation of any benefit payable to the superannuate, and those contributions shall be refunded upon death or termination of the employment. Contributions made on compensation earned after the expiration of such period shall be used in calculation of the benefit or payment due under this section.

(7) (A) On termination of employment under this section, a superannuate may file an application with the consolidated retirement system for a benefit under this division, which shall consist of a single life annuity having a reserve equal to the amount of any accumulated contributions for the period of employment, plus interest credited to the date of retirement at the then current actuarial rate of interest. The superannuate shall elect either to receive the benefit as a monthly annuity for life or a lump sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the monthly annuity would be less than twenty-five dollars (\$25.00) per month he shall receive a lump sum payment.

(B) A benefit payable under this subdivision shall commence on the latest of the following:

(i) The last day for which compensation for employment as a teacher was paid;

(ii) Attainment by the superannuate of age sixty-five (65);

(iii) If the superannuate was previously employed under this section and previously received or is receiving a benefit under this subdivision, completion of a period of twelve (12) months since the effective date of the last benefit under this subdivision.

(C) (i) If a superannuate dies while employed in employment subject to this section, a lump sum payment calculated in accordance with division (7)(1) of this section shall be paid to the designated beneficiary.

(ii) If at the time of death a superannuate receiving a monthly annuity has received less than would have been received as a lump sum payment, the difference between the amount received and the amount

which would have been received as a lump sum payment shall be paid to the designated beneficiary.

(D) No amount received under this section shall be included in determining an additional benefit or any other post-retirement benefit increase, except as provided in this subsection.

(8) A superannuate shall not receive the pension portions of a retirement allowance for any period for which he is compensated under a private contract, or through an independent contractor, whereby he is to perform personal or professional services for the employer by which such person was employed at the time of retirement.

(9) The retirement board of the consolidated retirement system or other appropriate retirement system may make the necessary rules to carry into effect this section and to prevent the abuse of the rights and privileges thereunder.

SECTION 2. Tennessee Code Annotated, Section 49-5-401, is amended by redesignating present subsection (d) to be subdivision (d)(1), and by adding a new subdivision (d)(2), as follows:

(d)(2) Notwithstanding the provisions of subdivision (d)(1), a retired teacher may be employed as a temporary, part-time, or full-time teacher in accordance with the provisions of Section 8-36-805, but such teacher shall not receive automatic credit for years of experience in determining compensation.

SECTION 3. This act shall take effect July 1, 2000, the public welfare requiring it.